

**Life Time Fitness, Inc.**  
**AMENDED AND RESTATED**  
**AUDIT COMMITTEE CHARTER**  
**(Adopted on February 16, 2005)**

**Purpose**

There shall be an Audit Committee (“Audit Committee”) of the Board of Directors (the “Board”) of Life Time Fitness, Inc. (“LTF”).

The Audit Committee has oversight with respect to LTF’s consolidated financial statements, LTF’s compliance with legal and regulatory requirements, the selection of the independent auditor and the determination of their qualifications and independence and the performance of LTF’s internal audit function and independent auditor.

**Organization**

The Audit Committee shall consist of at least three directors. The members of the Audit Committee and the Chair of the Audit Committee shall be appointed by the Board. Each director appointed to the Audit Committee shall:

- 1) satisfy the independence and financial literacy requirements of the New York Stock Exchange (“NYSE”) rules;
- 2) satisfy the independence requirements of Section 10A(m)(3) of the Securities Exchange Act of 1934 (the “Exchange Act”) and the rules and regulations of the Securities and Exchange Commission (the “SEC”); and
- 3) At least one member of the Audit Committee must have accounting or financial management expertise as required by the NYSE rules. In addition, the Audit Committee shall endeavor to have at all times on the Audit Committee at least one member who satisfies the definition of an “audit committee financial expert” as defined by the SEC.

Compliance with the foregoing requirements shall be determined by the Board in its business judgment and in accordance with applicable rules, regulations and standards in effect from time to time.

**Responsibilities**

The Audit Committee recognizes that the preparation of LTF’s consolidated financial statements and other financial information is the responsibility of LTF’s management and that the auditing, or conducting reviews, of those financial statements and other financial information is the responsibility of LTF’s independent auditor. The Audit Committee’s responsibility is to oversee the financial reporting process, LTF’s compliance with legal and regulatory requirements and the overall performance and qualifications of the independent auditor and the internal audit function

as more fully described below. LTF's management and its independent auditor, in the exercise of their responsibilities, acquire greater knowledge and more detailed information about LTF and its financial affairs than members of the Audit Committee. Consequently, the Audit Committee is not responsible for providing any expert or special assurance as to LTF's consolidated financial statements and other financial information or any professional certification as to the independent auditor's work, including without limitation its reports on and reviews of LTF's consolidated financial statements and other financial information.

#### *Oversight of Independent Auditor*

- 1) The Audit Committee shall be directly responsible, subject to stockholder ratification, for the appointment, retention, compensation, evaluation, termination and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting matters) for the purpose of preparing or issuing an audit report or related work. The Audit Committee shall have sole authority to approve all audit engagement fees and terms and any non-audit engagements of the independent auditor, subject to the provisions of any policy regarding pre-approval of non-audit services. The independent auditor shall report directly to the Audit Committee. LTF shall provide appropriate funding, as determined by the Audit Committee, for payment of compensation to any accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for LTF.
- 2) The Audit Committee shall pre-approve all auditing services and permitted non-audit services (including the fees) to be performed for LTF by its independent auditor, upon consideration of the terms thereof, subject to the *de minimis* exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act. The Audit Committee may delegate authority to one or more members of the Audit Committee, who are independent directors of the Board, the authority to grant pre-approvals of audit and permitted non-audit services, provided that decisions of such member(s) shall be presented to the full Audit Committee at its next scheduled meeting. The Audit Committee may establish policies and procedures regarding the engagement of the independent auditor to render services to LTF, provided that the policies and procedures are detailed as to the particular service, the Audit Committee is informed of each service, and the pre-approval policies and procedures do not include the delegation of the Audit Committee responsibilities to management. If pre-approval policies and procedures are adopted, LTF may engage the independent auditor to perform services consistent with the policies and procedures. When pre-approving non-audit services, the Audit Committee should consider whether the provision of the non-audit services by the independent auditor is compatible with maintaining the independent auditor's independence.

### *Authority to Engage Independent Advisors*

- 1) The Audit Committee shall have the authority to retain independent counsel and other legal, accounting or other advisors as it determines necessary to carry out its duties. LTF shall provide appropriate funding, as determined by the Audit Committee, for payment of compensation to any advisors employed by the Audit Committee.

### *Responsibility for Consolidated Financial Statements and Disclosure Matters*

The Audit Committee, to the extent it deems necessary or appropriate, shall:

- 1) Review and discuss with management and the independent auditor LTF's annual audited consolidated financial statements, including disclosures made in management's discussion and analysis, and recommend to the Board whether such audited financial statements should be included in LTF's Form 10-K.
- 2) Meet to review and discuss with management and the independent auditor LTF's quarterly consolidated financial statements, including reviewing specific disclosures made in management's discussion and analysis, prior to the filing of its Form 10-Q, including the results of the independent auditor's review of the quarterly consolidated financial statements. The review and discussion should include any matters identified by the independent auditor pursuant to Statement on Auditing Standards No. 100 regarding LTF's interim consolidated financial statements.
- 3) Discuss quarterly with management and the independent auditor significant financial reporting issues and judgments made in connection with the preparation of LTF's consolidated financial statements, including any significant changes in LTF's selection or application of accounting principles, any major issues as to the adequacy of LTF's internal controls and any special steps adopted in light of material control deficiencies.
- 4) Review and discuss quarterly reports from the independent auditor on:
  - a) all critical accounting policies and practices used;
  - b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and
  - c) other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
- 5) Discuss with management LTF's earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies. Such discussion may be done generally (consisting of discussing the types of information to be disclosed and the types of presentations to be made) and need not occur prior to each release.

- 6) Discuss with management and the independent auditor the effect of new regulatory and accounting initiatives as well as off-balance sheet structures on LTF's consolidated financial statements.
- 7) Discuss with management guidelines and policies for assessing and managing LTF's risk exposure and the steps management has taken to monitor and control such exposures, including LTF's risk assessment and risk management policies.
- 8) Review and consider the matters required to be discussed by Statement on Auditing Standards No. 61, as amended, with the independent auditor and management relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.
- 9) Receive information from LTF's management about any significant deficiencies or material weaknesses in the design or operation of internal controls that could adversely affect LTF's ability to record, process, summarize and report financial data and any fraud, whether or not material, that involves management or other employees who have a significant role in LTF's internal controls.
- 10) Discuss with management any proposed related-party transactions and conflicts of interest and provide a recommendation to the Board as to whether or not such transactions should be approved by the Board.

*Oversight of LTF's Relationship with the Independent Auditor*

- 1) Consider the qualifications and performance of LTF's lead partner of the independent audit team.
- 2) Obtain and review a report from the independent auditor at least annually regarding:
  - a) the independent auditor's internal quality-control procedures;
  - b) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm;
  - c) any steps taken to deal with any such issues; and
  - d) all relationships between the independent auditor and LTF consistent with Independence Standards Board Standard No. 1.

Actively engage in a dialogue with the independent auditor regarding any disclosed relationships or services that may impact the objectivity and independence of the independent auditor. Evaluate the qualifications, performance and independence of the independent auditor, including considering whether the auditor's quality controls are

adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence, taking into account the opinions of management and internal auditors. The Audit Committee shall present its conclusions with respect to the independent auditor to the Board.

- 3) Ensure the rotation of the audit partner, lead partner and concurring partner of the independent auditor as required by law.
- 4) Recommend to the Board policies for LTF hiring of employees or former employees of the independent auditor who participated in any capacity in the audit of LTF in order to ensure the independence of the independent auditor under SEC rules.
- 5) Confirm that the none of the audit partners earn or receive compensation based on procuring engagements with LTF for providing products or services, other than audit, review or attest services.
- 6) Discuss with the independent auditor all significant matters related to accounting, financial reporting disclosures, internal controls and related matters.
- 7) Meet with the independent auditor prior to the audit to discuss the planning and staffing of the audit.
- 8) Meet with the independent auditor privately on a quarterly basis.

#### *Oversight of LTF's Internal Audit Function*

- 1) Review, periodically, the charter of the internal audit function.
- 2) Review the appointment, replacement and reporting relationship of the senior internal auditing executive (who will report to the CFO).
- 3) Review the significant reports, and/or summary of significant points, to management prepared by the internal auditing function and management's responses.
- 4) Discuss with the independent auditor and management the internal audit department responsibilities, budget and staffing and any recommended changes in the planned scope of the internal audit.
- 5) Meet with the senior internal auditing executives privately on a quarterly basis.

#### *Compliance Oversight Responsibilities*

- 1) Obtain from the independent auditor assurance that the audit was conducted in a manner consistent with Section 10A(b) of the Exchange Act.

- 2) Administer and oversee, to the extent directed by the Board, any codes of ethics or business conduct adopted by LTF.
- 3) Establish procedures for the receipt, retention and treatment of complaints received by LTF regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting, reporting or auditing matters.
- 4) Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding LTF's consolidated financial statements or accounting policies.
- 5) The Audit Committee shall prepare an audit committee report as required by the rules of the SEC to be included in LTF's annual proxy statement.

#### *Charter and Evaluation*

The Audit Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Audit Committee shall annually review the Audit Committee's own performance.

#### **Meetings**

The Audit Committee shall meet as often as it determines, but not less frequently than quarterly. The Audit Committee shall meet periodically with management, the internal auditors and the independent auditor in separate executive sessions. The Audit Committee may request any officer or employee of LTF or LTF's outside counsel or independent auditor to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee. The Audit Committee shall report regularly to the Board through presentations at Board meetings or by submission of the minutes of the Audit Committee meetings to the Board. In addition to funding for the specific purposes described above, LTF shall provide appropriate funding, as determined by the Audit Committee, for ordinary administrative expenses that are necessary for the Audit Committee to carry out its duties.